

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 18, 2008**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 18, 2008, commencing at 7:00 a.m.

Present: Mayor Pro Tempore Hansen, Council Member Hitchcock, Council Member Johnson, and Mayor Mounce

Absent: Council Member Katzakian

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Neighborhood Stabilization Program (CD)

City Manager King briefly introduced the subject matter of the neighborhood stabilization program.

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the neighborhood stabilization program. Specific topics of discussion included the Housing and Economic Recovery Act of 2008, funding to State and local jurisdictions, San Joaquin County distribution, State Department of Housing and Community Development (HCD) distribution to San Joaquin County, the City's set aside, challenges, program implementation, and preserving affordability.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated Department of Housing and Urban Development (HUD) applies the formula after reviewing area data for foreclosures and delinquencies. Mr. Wood stated if the area does not meet the \$2 million threshold it would not receive an allocation.

In response to Mayor Mounce, Mr. Wood stated if an agency does not meet federal thresholds it must rely on funding from the State. Mr. Wood stated San Joaquin meets the criteria for federal and State funding and the funding goes from HUD to the County and then to the cities.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the State will be providing approximately \$800,000 in additional funds for underserved areas based upon the same guidelines as the federal funding.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the time frame for the expenditure is 18 months to obligate the first initial allocation.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the funding cannot be applied to affordable housing because a key element is vacant or foreclosed property.

In response to Council Member Hitchcock, Mr. Wood confirmed that someone in the very low income will likely not qualify for the funds. He stated the City will reach out to affordable housing non-profit developers and will look for foreclosed properties to see if there are any multi-family types of structures.

In response to Mayor Mounce, Mr. Wood stated that, based on a recent County proposal for

affordable housing projects, there are approximately four viable developers serving the general area.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated there should not be any problems using the funding, as the City does not acquire the properties itself, and as long as developers are involved and follow through. Mr. Wood stated the money should be able to move; although, there may be some challenges with the requirement that the properties are purchased for less than 5% of the appraised value and collectively there is a 10% to 15% aggregate value below appraised values to meet.

In response to Mayor Mounce, Mr. Wood stated the Technical Advisory Committee for the County has the ability to follow through on funding and property acquisition with banks and developers within whom they are familiar.

In response to Mayor Mounce, Mr. Wood stated the City will play a key role in identifying properties for eligibility and getting local providers, such as the Salvation Army and Loel Center, to bring options to the table.

In response to Council Member Hitchcock, Mr. Wood stated that staff time spent on administering the program will be charged to the program as allowed for administrative costs and will be similar to that of the Block Grant program.

Discussion ensued between Mayor Mounce, Council Member Hitchcock, and Mr. Wood regarding the process associated with acquiring property, rehabilitation, turn over to an agency such as Loel Center, and the revolving nature of the funds to keep the program going by regenerating funds.

In response to Mayor Pro Tempore Hansen, Mr. Wood confirmed that individuals will still have to go out and qualify through a bank for primary mortgages and the program will simply assist them with additional funding.

In response to Mayor Pro Tempore Hansen, Mr. King stated the 5% requirement set forth by the lawmakers in Washington DC was an effort to get the most value for the dollar by implementing restrictions that would minimize the ability to make a profit off such programs and development.

In response to Myrna Wetzel, Mr. Wood stated the subject properties must be strictly residential in nature or vacant lots that are foreclosed.

In response to Council Member Johnson, Mr. Wood stated Manteca and Tracy receive direct allocation from HCD and are therefore not listed on the County list.

In response to Council Member Hitchcock, Mr. Wood stated the map presented does reflect the foreclosed properties in the City of Lodi.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the area designation currently is limited to the 95240 zip code but can be amended later as necessary to include 95242.

In response to Council Member Johnson, Mr. Wood stated the program may apply to Habitat for Humanity; although, there may be some concern with fund expenditure in a timely manner since their projects generally take a bit longer.

In response to Council Member Johnson, Mr. Wood stated at the current time there has not been an opportunity to receive pro bono appraisals.

In response to Mayor Pro Tempore Hansen, Mr. Wood confirmed that the program providers did not want there to be misuse of the program or profit making. He stated the intent is to keep property affordable and on the grids in a revolving manner.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:54 a.m.

ATTEST:

Randi Johl  
City Clerk